

**City OF NEWPORT, KY**  
**REGULAR MEETING OF THE BOARD OF COMMISSIONERS**  
**Monday, February 26, 2018**  
**MINUTES**

**CALL TO ORDER / ROLL CALL**

The meeting was called to order by Mayor Peluso at 7:00 p.m. in the Multi-Purpose Room of the Newport Municipal Building at 998 Monmouth Street. The meeting was opened with a moment for silent invocation and the mayor led the Pledge of Allegiance.

**In attendance** were: Mayor Jerry Peluso, Thomas Guidugli, and Ken Rehtin. Absent: Commissioners Frank Peluso and Beth Fennell Also in attendance were: City Manager Thomas Fromme, City Attorney Dan Braun, Police Chief Tom Collins, Fire Chief Bill Darin, Director of Finance Lenny Kuntz, Community Services Director Doug Roell, Historic Preservation Officer Scott Clark (arrived at 7:35), Community Liaison Bev Holiday, and City Clerk Amy Able.

**PERSONNEL ORDERS**

The city clerk read **R-2018-010**, an order appointing Jan Kneppshield and Aaron Sutherland to the Code Enforcement Board of the City of Newport, Kentucky. Commissioner Peluso made a motion for approval, Commissioner Guidugli offered a second to the motion. The mayor thanked the appointees for their willingness to serve. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

<b>Commissioner Peluso:</b>	<b>Yes</b>	<b>Commissioner Rehtin:</b>	<b>Yes</b>	<b>Mayor Peluso:</b>	<b>Yes</b>
<b>Commissioner Guidugli:</b>	<b>Yes</b>	<b>Commissioner Fennell:</b>	<b>Yes</b>	<b>Motion carried</b>	<b><u>5-0.</u></b>

**PRESENTATIONS, AWARDS & PROCLAMATIONS**

The city clerk read **R-2018-011** an order authorizing the mayor to proclaim the date of **February 28, 2018, as Newport Professional Firefighters Local 45 I.A.F.F. Day**. Commissioner Fennell made a motion for approval, Commissioner Guidugli offered a second to the motion. The mayor thanked the appointees for their willingness to serve. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

<b>Commissioner Fennell:</b>	<b>Yes</b>	<b>Commissioner Rehtin:</b>	<b>Yes</b>	<b>Mayor Peluso:</b>	<b>Yes</b>
<b>Commissioner Guidugli:</b>	<b>Yes</b>	<b>Commissioner Peluso:</b>	<b>Yes</b>	<b>Motion carried</b>	<b><u>5-0.</u></b>

The mayor read the proclamation and presented a copy to Local 45 President and Engineer/Medic Jake Silvati.

Ms. Amber Onkst of the Intermediate School thanked the Fire Department for their assistance with a food drive to help students. The successful event at Kroger brought over \$7,000 in food and supplies to help with weekend food bags for students through the summer.

**OLD BUSINESS**

The city clerk read **R-2018-012**, an order **authorizing a needle exchange program through the Northern Kentucky Health Department**. Mr. Fromme presented information to the Board summarizing the responses from comment cards after the February 12 meeting and from a number of local polls. Approximately twenty percent of respondents were opposed to an exchange. Twenty percent favored the Health Department office as the location; twenty-one percent expressed no preference for location; 39.5% preferred St. Elizabeth property as the location. Eighty percent of respondents were in favor of an exchange. He stated a panel

discussion at the Newport Business Association was also well attended and much information was shared. Commissioner Peluso made a motion for approval of the order authorizing a needle exchange program within a mobile unit located for operation at St. Elizabeth Urgent Care on North Grand Avenue; Commissioner Guidugli offered a second to the motion. The mayor called for a roll call vote.

<b>Commissioner Peluso:</b>	<b>Yes</b>	<b>Commissioner Rehtin:</b>	<b>Yes</b>	<b>Mayor Peluso:</b>	<b>Yes</b>
<b>Commissioner Guidugli:</b>	<b>Yes</b>	<b>Commissioner Fennell:</b>	<b>Yes</b>	<b>Motion carried</b>	<b>5-0.</b>

Mayor Peluso thanked everyone for their input on the issue and called for a five minute recess at 7:20. At 7:25 the meeting reconvened with all board members present and responding to roll call.

### **STATE OF THE CITY ADDRESS**

City Manager Tom Fromme gave a State of the City address. (See attached slides.)

### **PRESENTATION OF THE AUDIT**

Ms. Heather Cochran of Ray, Foley & Hensley (RFH, PLLC) presented the audit. (See attached slides.)

### **PUBLIC FORUM**

Mr. Steve Mathisen thanked the Board of Commissioners for their thoughtful reach out to the community on the syringe exchange issue.

### **APPROVAL OF MINUTES**

Commissioner Guidugli made a motion to approve the minutes of the Monday, January 22, 2017 regular meeting and the Monday, February 12, 2018 caucus meeting. Commissioner Rehtin offered a second to the motion. Upon hearing there were no changes, corrections, comments or questions, the mayor called for a roll call vote.

<b>Commissioner Guidugli:</b>	<b>Yes</b>	<b>Commissioner Peluso:</b>	<b>Yes</b>	<b>Mayor Peluso:</b>	<b>Yes</b>
<b>Commissioner Rehtin:</b>	<b>Yes</b>	<b>Commissioner Fennell:</b>	<b>Yes</b>	<b>Motion carried</b>	<b>5-0.</b>

### **NEW BUSINESS**

The city clerk gave first reading by title and summary of tentative **O-2018-001**, an ordinance **amending Section 99.07 of the Code of Ordinances concerning rental dwelling licenses**. City Manager Fromme explained the change shifts from pre-paid licenses in April for a fiscal year to a period for the calendar year with renewals issued at the time of property tax billing. Commissioner Peluso made a motion for approval, Commissioner Guidugli offered a second to the motion. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

<b>Commissioner Peluso:</b>	<b>Yes</b>	<b>Commissioner Rehtin:</b>	<b>Yes</b>	<b>Mayor Peluso:</b>	<b>Yes</b>
<b>Commissioner Guidugli:</b>	<b>Yes</b>	<b>Commissioner Fennell:</b>	<b>Yes</b>	<b>Motion carried</b>	<b>5-0.</b>

The city clerk gave first reading by title and summary of tentative **O-2018-002**, an ordinance **amending Section 99.09 of the Code of Ordinances concerning duration, pay date, expiration, and renewal of rental dwelling licenses**. City Manager Fromme explained this change strengthens the ability to address licenses in arrears. Commissioner Fennell made a motion for approval, Commissioner Guidugli offered a second to the motion. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

<b>Commissioner Fennell:</b>	<b>Yes</b>	<b>Commissioner Rehtin:</b>	<b>Yes</b>	<b>Mayor Peluso:</b>	<b>Yes</b>
<b>Commissioner Guidugli:</b>	<b>Yes</b>	<b>Commissioner Peluso:</b>	<b>Yes</b>	<b>Motion carried</b>	<b>5-0.</b>

The city clerk read **R-2018-013**, an order authorizing and directing City Manager Fromme to execute a **contract with Seco Electric** for the LED lighting replacement in City owned parking lots project. Mr. Roell stated this continues the Monmouth Street project and involves the same lamp heads going in for the lots behind the city building and on Monmouth and replacement of four poles in Phalen Park. Commissioner Peluso made a motion for approval, Commissioner Fennell offered a second to the motion. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Peluso:	Yes	Commissioner Guidugli:	Yes	Mayor Peluso:	Yes
Commissioner Fennell:	Yes	Commissioner Rehtin:	Yes		<u>Motion carried 5-0.</u>

The city clerk read **R-2018-014**, an order authorizing and directing City Manager Fromme to execute a **contract with Martin Painting** for the painting light posts and fixtures at City parking lots project. Commissioner Guidugli made a motion for approval, Commissioner Fennell offered a second to the motion specifying "for discussion." Mr. Roell stated Martin submitted the low bid for the poles and fixtures and were significantly lower than other bidders. Commissioner Rehtin made a motion for approval, Commissioner Guidugli offered a second to the motion. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Rehtin:	Yes	Commissioner Peluso:	Yes	Mayor Peluso:	Yes
Commissioner Guidugli:	Yes	Commissioner Fennell:	Yes		<u>Motion carried 5-0.</u>

The city clerk read **R-2018-015**, an order amending Commissioners Order R-2017-014 and authorizing an **additional expenditure regarding slope stabilization**, drilled shaft retaining wall, Grandview Avenue. Mr. Roell explained the \$9,490 change order due to change in design as the original called for a glue down curb. This will be a 18" hiter curb with 1' below ground. He added that otherwise the project came in on budget and on time. Commissioner Peluso made a motion for approval, Commissioner Fennell offered a second to the motion. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Peluso:	Yes	Commissioner Guidugli:	Yes	Mayor Peluso:	Yes
Commissioner Fennell:	Yes	Commissioner Rehtin:	Yes		<u>Motion carried 5-0.</u>

The city clerk read **R-2018-016**, an order declaring certain personal property of the City of Newport as **surplus and authorizing disposal** in accordance with state law. Commissioner Guidugli made a motion for approval, Commissioner Fennell offered a second to the motion. The vehicles and equipment are from the Code Enforcement Department. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Guidugli:	Yes	Commissioner Rehtin:	Yes	Mayor Peluso:	Yes
Commissioner Fennell:	Yes	Commissioner Peluso:	Yes		<u>Motion carried 5-0.</u>

The city clerk read **R-2018-017**, an order authorizing the city manager to sign a **Memorandum of Understanding with the City of Fort Thomas concerning an application for a FEMA Assistance to Firefighters Grant** (AFG) EMW-2017-FR-00331 for funding for the Campbell County Fire Departments 800 Radio Project. Commissioner Peluso made a motion for approval, Commissioner Fennell offered a second to the motion. Chief Darin stated the chiefs in Campbell County believe there is a greater chance of receiving assistance by applying together. He added our portion is \$91,000 and the City would need to pay 10% if the grant is received. Discussion followed and Chief Collins commented on anticipated dates and recent equipment demonstrations. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Peluso:	Yes	Commissioner Guidugli:	Yes	Mayor Peluso:	Yes
----------------------	-----	------------------------	-----	---------------	-----

Commissioner Fennell: Yes      Commissioner Rehtin: Yes      **Motion carried 5-0.**

### **COMMENTS FROM DEPARTMENT HEADS**

Chief Collins thanked the Finance Department for assistance in expressing (in the audit presentation) that the Forfeiture Funds are not budgeted so when there is a request for purchases with those funds (as he intends to request using funds for the purchase of vehicles), it will show as a negative.

Mr. Roell responded to questions about the recent rain and flood conditions. He said there is generally a lot of silt and debris when the river recedes from these levels. He did not expect significant damage. The river should be at 54' by the end of the week allowing the Columbia Street gate to come down Monday. It takes 4-6 hours to put it up. Commissioner Peluso complimented Mr. Roell and his crew for their work at the Mussman complex. Mr. Roell said improvements are being considered for Mussman with the possibility of an electric pump in a wet well. The valve has to be closed at 51.4' and he would like to raise it to grade with a stem rather than keeping it in a well and add signage.

### **COMMENTS FROM THE CITY MANAGER**

Mr. Fromme complimented the Board on the care in decision making and stated he appreciates the leadership on the syringe exchange which sets a path forward for other communities in the area as all struggle with the heroin epidemic.

### **ADJOURNMENT**

There being no further business, Commissioner Guidugli made a motion to adjourn the meeting. Commissioner Fennell offered a second to the motion. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Guidugli: Yes      Commissioner Rehtin: Yes      Mayor Peluso: Yes  
Commissioner Fennell: Yes      Commissioner Peluso: Yes      **Motion carried 5-0.**

**The meeting adjourned at 9:07 p.m.**

\_\_\_\_\_  
Date Approved/Signed

\_\_\_\_\_  
Jerry R. Peluso, Mayor

Attest:

\_\_\_\_\_  
Amy B. Able, City Clerk

# 2017 Annual Report



**Newport, Kentucky**  
Riverfront Master Plan Concept



February, 2017

**NEWPORT**  
KENTUCKY

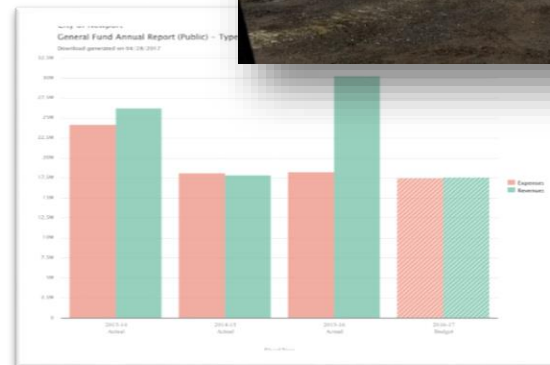
# 2018 State of the City

---

- Experienced a tremendous amount of new development in the last 11 years.
- Success due to stable elected and staff leadership.
- City is in reasonably good shape from an infrastructure and financial point of view.
- Invested heavily on infrastructure repairs during the past seven years – \$2.3 M in Capital Improvement in 2017.
- \$800,000 on street repairs.

# 2017 Major Initiatives and Projects

- OpenGov Transparency
- Springbrook Implementation
- LED Street Light conversion
- Paved 1.4 Miles of City streets.
- Monmouth Street Streetscape improvements
- Sidewalk along Dave Cowens Road.
- Carothers Phase II design.
- Grandview Avenue Repairs
- New Solid Waste Contract
- Demolished the old City Garage Building.
- Replaced the phone system.
- Grant for new Patrol Rifles
- SWAT Team Enhancements
- New Fire Engine put into service
- New Ambulance Billing Implemented



# 2017 Major Initiatives and Projects

---

- Created in-house Code Enforcement nuisance abatement program resulting in \$48,000 cost savings.
- Created Property Task Force in mid-August
  - Created a work plan for the new initiative
  - \$150,000 in Code Enforcement liens filed
  - Identified vacant properties and businesses with delinquent taxes
  - Identified over 40 properties operating without a rental license
  - Coordination with the Police Department
  - Collected a total of \$87,433.49 from property initiative in 2017  
(delinquent property taxes, tangible taxes and occupational fees).



# Development Projects

---

- NewRiff rick house Project
- Aloft and Aqua
- Academy on Fourth
- Hampton Inn
- Skywheel
- Pegasus
- Ovation
- Rowing Club expansion
- Don Pablo's/Cancun property conversion
- Hooters lease renegotiation for Pegasus Project



# Fiscal Goals

---

- Growing Revenue
- Keeping Costs Low
- Reduce and Eliminate TAN
- Reduce Debt Service
- Improve City Credit Rating with Standard & Poor's

# Fiscal Accomplishments

---

- \$2.3 million was invested in capital improvements
- Net increase of 42 new employees
- Payroll revenue increased by \$25,000
- Cash Balance January 2018 - \$3,049,238.00

# Challenges

---

- Delivery of Public Service
  - Growing costs
- Revenue Streams
- Maintenance and Repair of Aging Infrastructure
- Housing Quality

# 2018 Goals

---

- Springbrook: Complete implementation of Payroll Module.
- Examine Bond for capital improvements which would include:
  - South Monmouth / Underpass.
  - Traffic circle improvements.
- Examine the need for additional parking meter zones/ Parking Issues
- Investigate ability for credit card transactions for permit fee and tax payment.
- Change the Rental Dwelling License renewal period from fiscal to calendar year.
- Prepare for the implementation of the 800 MHz radio communications system.
- Continue implementing plan for the street / sidewalk repairs, road paving schedule.
- Repair Slide Issue on Floodwall East of Washington Pump Station.
- Continue business retention / outreach.

# Things are happening in Newport Now!

---



NEWPORT  
KENTUCKY

# Contact Information:

---

Newport City Manager

Thomas Fromme

859.292.3687

[tfromme@newportky.gov](mailto:tfromme@newportky.gov)



NEWPORT  
KENTUCKY



# CITY OF NEWPORT, KENTUCKY

FYE June 30, 2017

AUDIT PRESENTATION  
RFH, PLLC





# Audit Results

- **Financial Statements**

- ☐ Unmodified audit opinion (*CAFR, Page 10*)

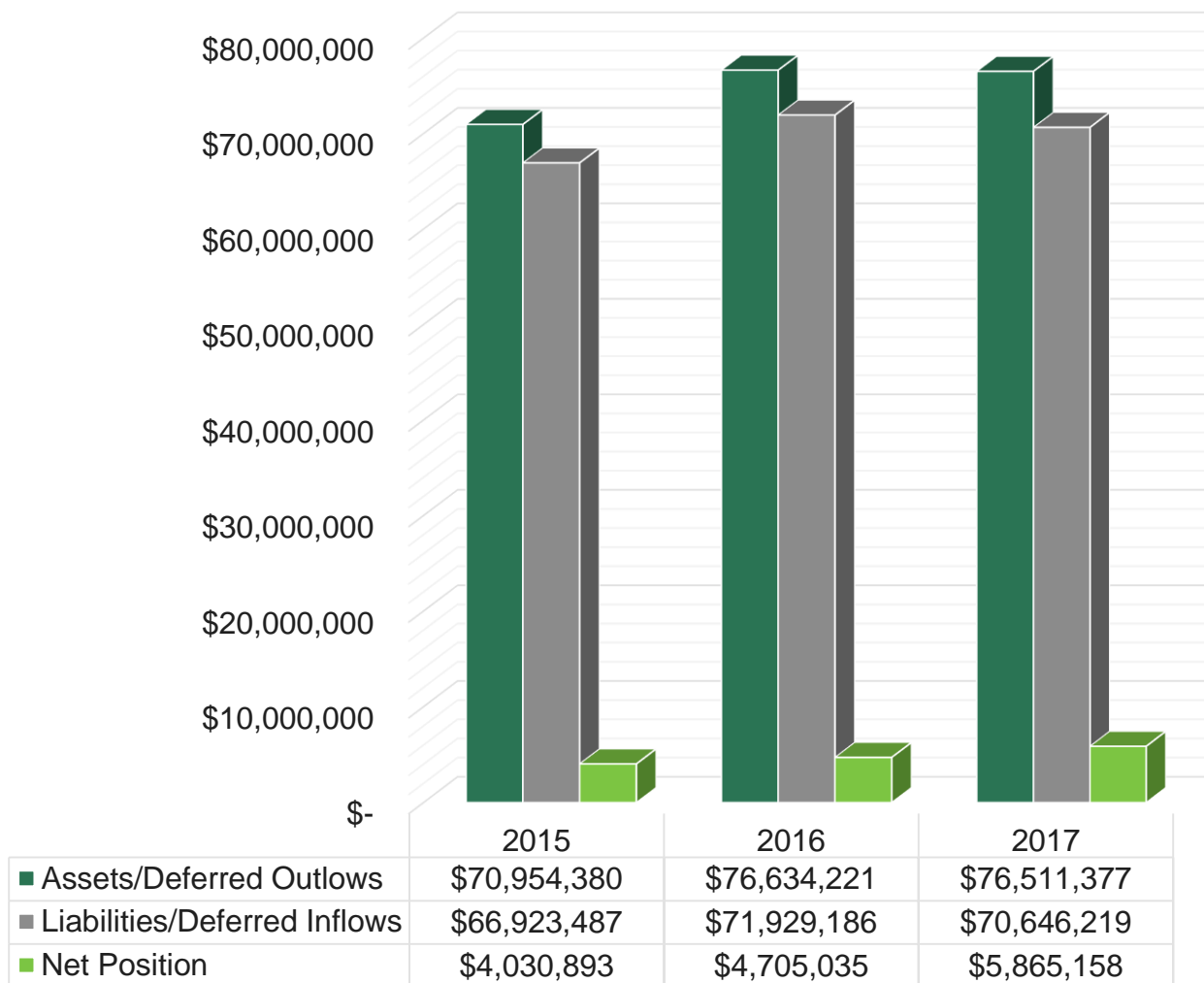
- **Governmental and single audit reports**

- ☐ Governmental Internal Control and Compliance (*CAFR, page 87*)
- ☐ Single Audit – unmodified audit opinion on major programs (*CAFR, page 89*)
- ☐ No material weaknesses or noncompliance identified

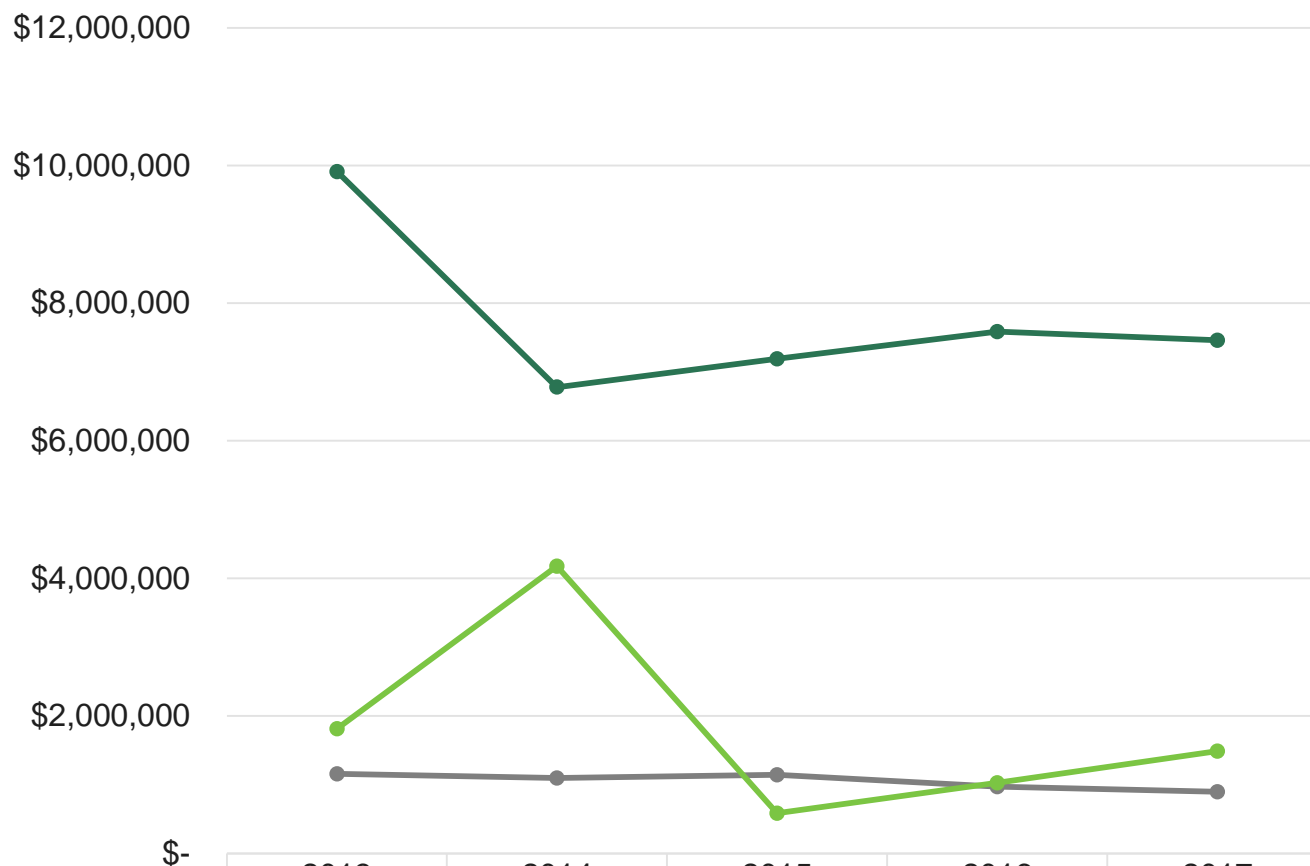
- **Other Reporting**

- ☐ Other Minor Recommendations

# Statement of Net Position

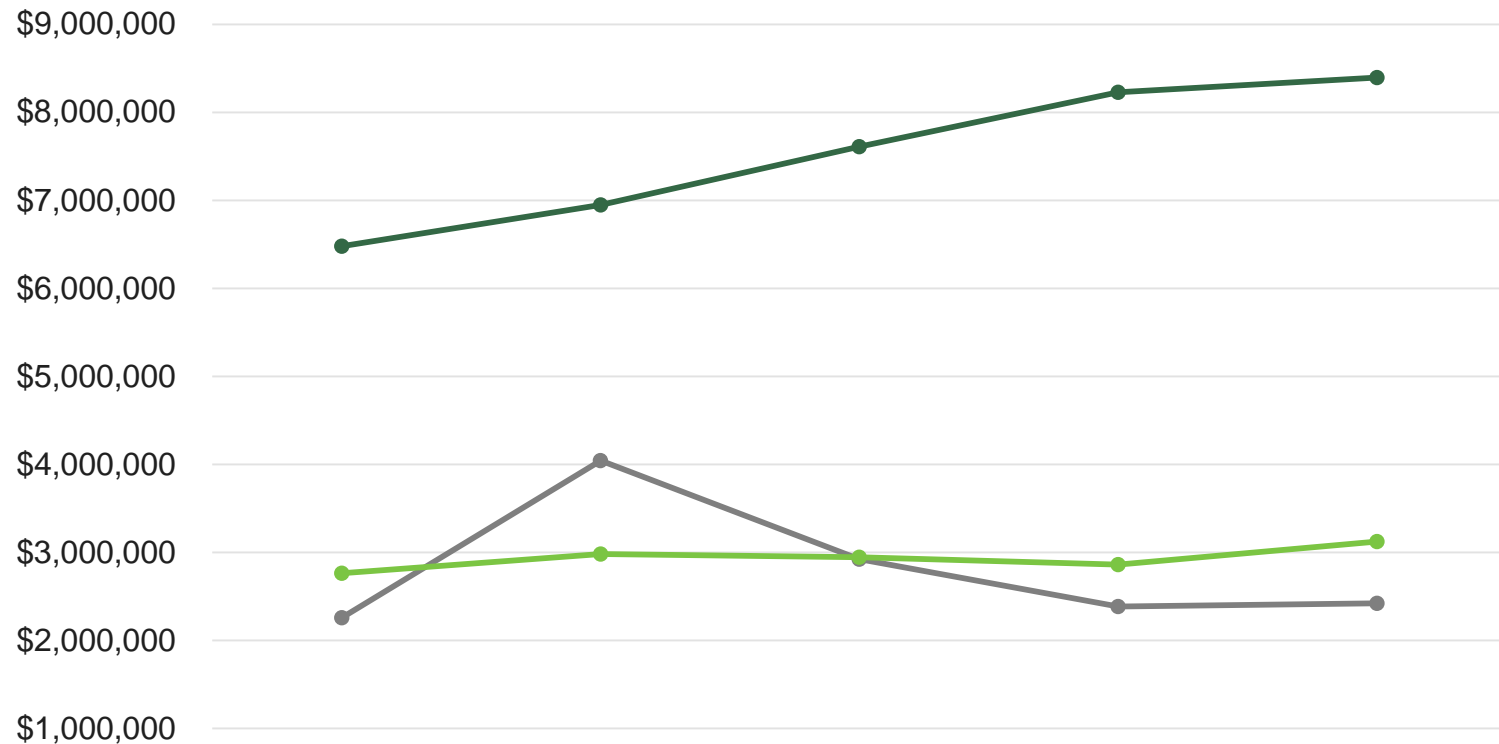


# Statement of Activities– Program Revenues



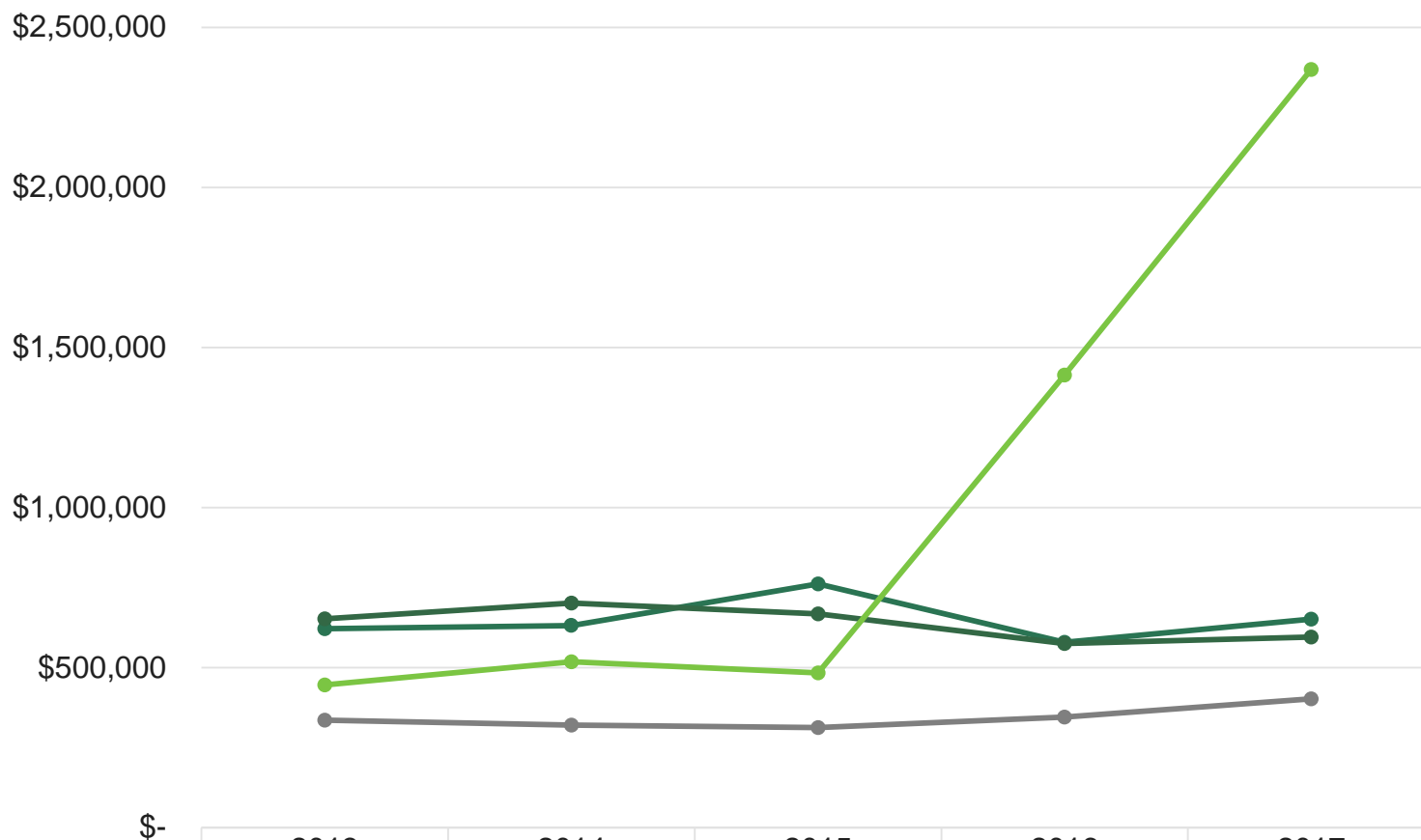
	2013	2014	2015	2016	2017
Charges for services	\$9,910,731	\$6,776,956	\$7,189,230	\$7,583,946	\$7,459,710
Operating grants and contributions	\$1,158,359	\$1,098,265	\$1,141,755	\$968,693	\$897,990
Capital grants and contributions	\$1,813,415	\$4,176,657	\$586,025	\$1,028,185	\$1,486,750

# Statement of Activities– General Revenues



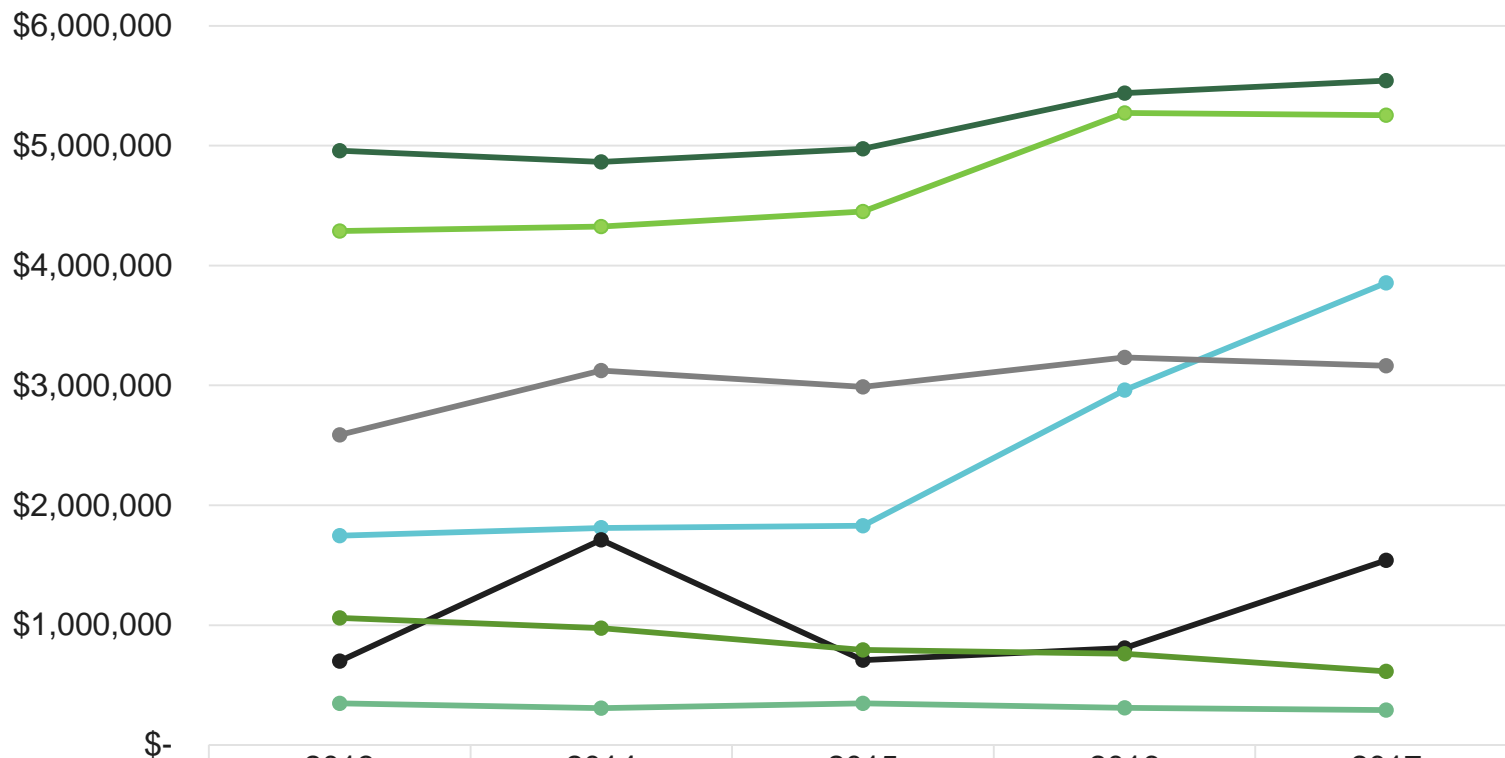
\$-	2013	2014	2015	2016	2017
— Taxes	\$2,258,918	\$4,041,552	\$2,924,493	\$2,383,903	\$2,423,160
— Payroll/gross receipts	\$6,478,038	\$6,947,990	\$7,610,230	\$8,228,908	\$8,395,660
— Insurance	\$2,763,745	\$2,981,708	\$2,943,775	\$2,861,193	\$3,122,632

# Statement of Activities– General Revenues, cont.



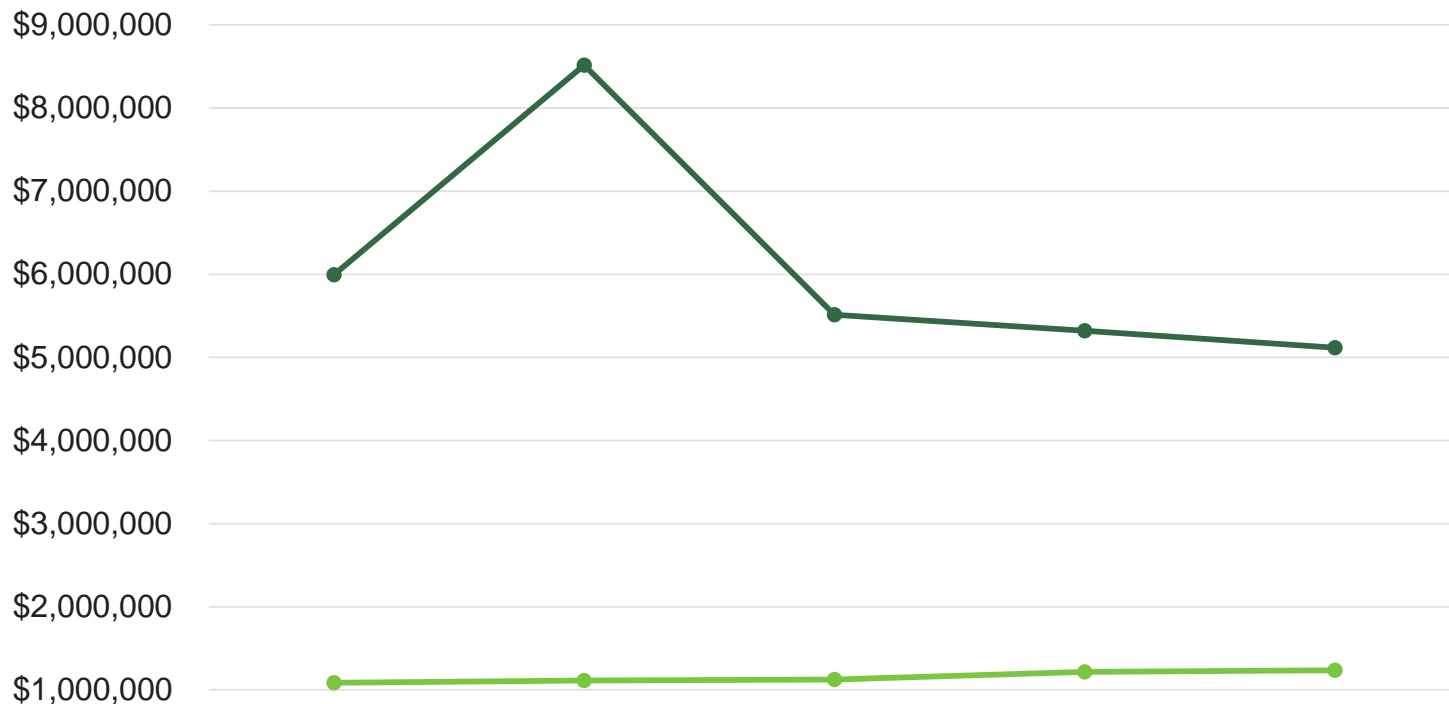
	2013	2014	2015	2016	2017
Other permits & licenses	\$621,522	\$631,232	\$760,895	\$579,216	\$650,769
Franchise fees	\$651,868	\$701,437	\$667,857	\$574,829	\$595,515
Other uses property	\$445,329	\$517,532	\$483,249	\$1,413,721	\$2,368,475
Interest and other	\$335,144	\$320,339	\$312,340	\$344,905	\$402,444

# Statement of Activities – Cost by Function – Governmental Activities



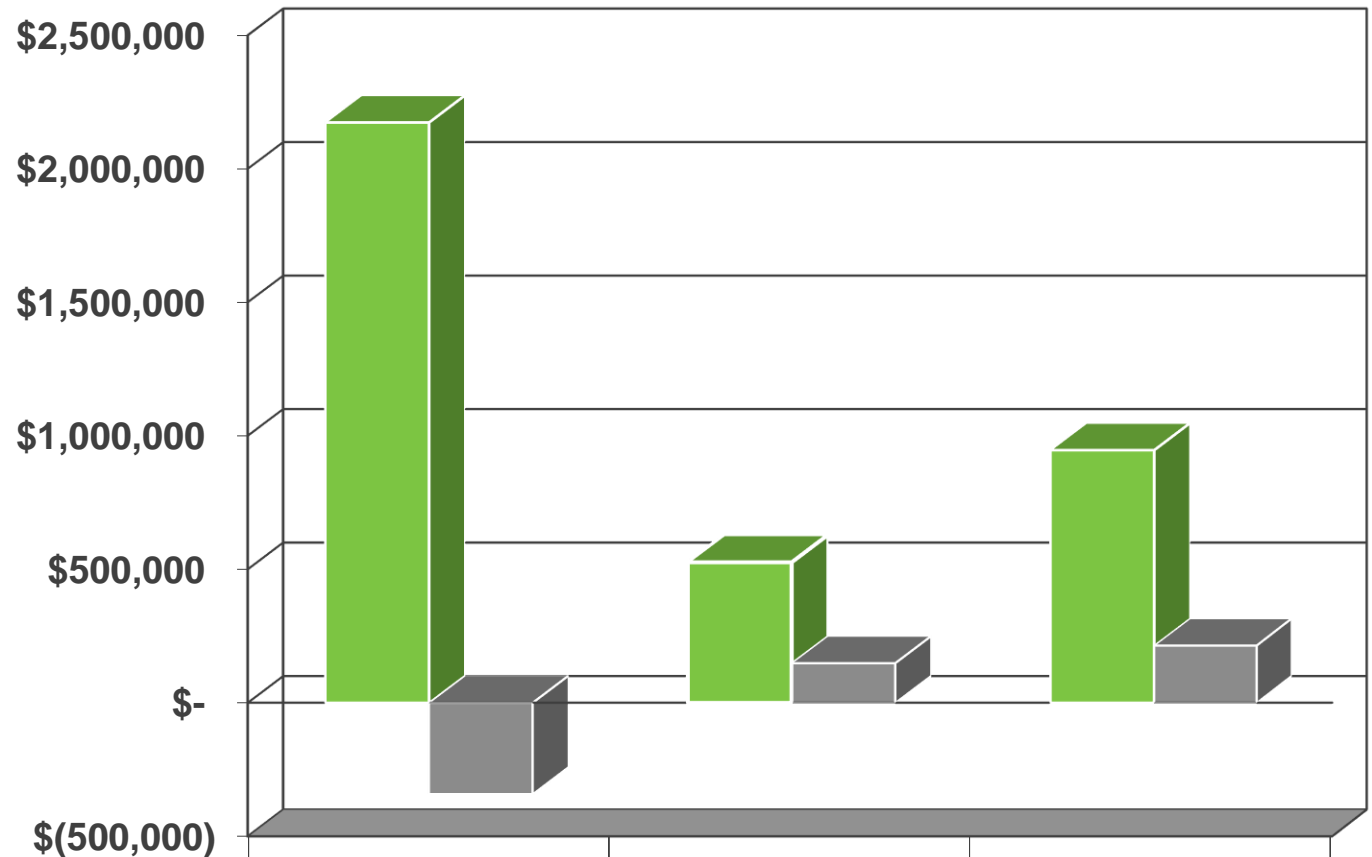
	2013	2014	2015	2016	2017
General Govt	\$1,747,163	\$1,811,096	\$1,829,592	\$2,961,163	\$3,856,204
Police	\$4,958,910	\$4,864,165	\$4,973,609	\$5,438,311	\$5,541,681
Fire/EMS	\$4,287,637	\$4,325,418	\$4,451,947	\$5,272,373	\$5,253,734
Development	\$699,017	\$1,712,783	\$708,249	\$809,960	\$1,542,152
Community	\$2,587,440	\$3,124,678	\$2,987,731	\$3,233,087	\$3,164,224
Municipal complex	\$346,430	\$307,821	\$347,091	\$310,673	\$290,707
Interest on LT debt	\$1,059,359	\$974,019	\$794,518	\$760,692	\$614,309

# Statement of Activities – Cost by Function – Business-type Activities



\$-	2013	2014	2015	2016	2017
● Refuse	\$1,084,372	\$1,112,668	\$1,124,065	\$1,216,349	\$1,234,511
● Levee	\$5,996,105	\$8,514,839	\$5,511,513	\$5,320,849	\$5,116,313

# Statement of Activities – Change in Net Position



■ Change in net position - Governmental  
■ Change in net position - Business-type

2015

\$2,173,209

(\$341,680)

2016

\$525,958

\$148,184

2017

\$946,080

\$214,043

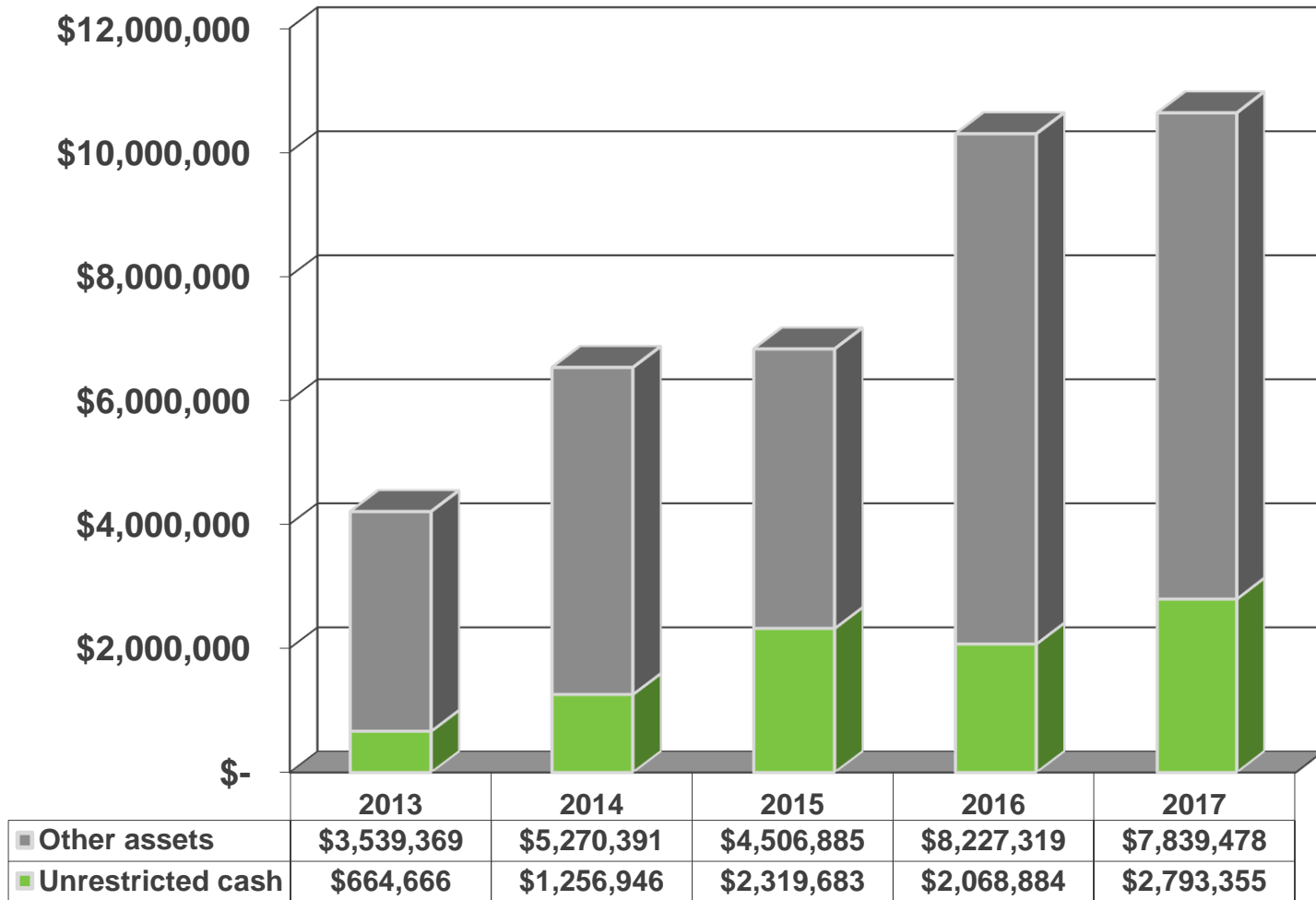


**RFH**

CPAs | Consultants



# Governmental Assets



# General Fund Revenues vs. Expenditures

